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AGENDA ITEM #4961

WATER/FLC/PTL/HJL/jlj

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

WATER DIVISION

**RESOLUTION NO. W-4564
October 27, 2005**

R E S O L U T I O N

**(RES. W-4564), FRUITRIDGE VISTA WATER COMPANY (FVWC).
ORDER AUTHORIZING A ONE-TIME SURCHARGE TO RECOVER
DEPARTMENT OF HEALTH SERVICES (DHS) FEES PRODUCING
AN INCREASE IN ANNUAL REVENUES OF \$10,793 OR 0.99%.**

SUMMARY

This resolution grants FVWC an offset rate increase in gross annual revenues of \$10,793 or 0.99%, which will be recovered through a one-time surcharge of \$2.28 per customer. This rate increase will not result in a rate of return greater than the last authorized for FVWC.

BACKGROUND

FVWC, by Advice Letter (AL) No. 79, filed on July 13, 2005, requests authority under Section VI of General Order (G.O.) 96-A and Section 454 of the Public Utilities Code to add a one-time surcharge to its tariff Schedule No. 1, Metered Service, and Schedule No. 2, Flat Rate Service, resulting in an increase in annual revenues of \$11,054 or 1.00%. This increase is to recover DHS fees for the period October 1, 2004 through March 21, 2005.

FVWC presently serves 4,731 metered customers in an area located just south of Sacramento, in Sacramento County.

FVWC's Schedules Nos. 1 and 2 rates became effective on January 13, 2004, pursuant to Resolution (Res.) No. W-4447, which authorized a purchased power offset increase of \$55,046 or 4.05%.

DISCUSSION

Res. No. W-4327, dated March 6, 2002, authorized all Class B, C, and D water utilities to establish memorandum accounts for recording expenses resulting from drinking water regulations, including water sampling, testing, reporting, and treatment costs, not presently included in rates. Class B, C, and D water utilities were also authorized to

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request recovery of these account balances by advice letter filings in accordance with G.O. No. 96-A.

FVWC requests to recover \$11,054 which includes a \$261 enforcement fee. This resolution disallows the enforcement fee of \$261 due to a June 2004 coliform violation. Ratepayers should not have to pay for mistakes made by the utility. The surcharge requested herein would allow FVWC to recover the balance, which totals \$10,793 (\$11,054 - \$261 = \$10,793) from October 1, 2004 through March 2, 2005. The Water Division recommends that FVWC be authorized to assess a one-time surcharge of \$2.28 per customer to recover the \$10,793 balance.

COMPLIANCE

Service is satisfactory. There are no Commission orders requiring system improvements and there are no service problems requiring corrective action. FVWC has been filing annual reports regularly and currently complies with all Commission orders and regulations.

NOTICE AND PROTESTS

FVWC has given public notice of the proposed rate increase by publishing a notice in a local newspaper of general circulation on July 8, 2005. There were no letters of opposition to the requested increases.

FINDINGS

1. Res. No. W-4327 authorized SBC to establish a Water Quality Memorandum Account.
2. FVWC properly established its account and booked \$11,054 to it.
3. Staff reviewed the account and recommends disallowing the \$261 enforcement fee for a June 2004 coliform violation, resulting in a one-time recovery of \$2.28 per customer surcharge for one month.
4. The resultant rate increase authorized in this resolution will not result in a rate of return greater than the last authorized for FVWC.
5. The Commission finds, after investigation by the Water Division, that the changes hereby authorized are justified and the resulting rates are just and reasonable.
6. This is an uncontested matter subject to the public notice comment exclusion provided in the Public Utilities Code Section 311(g)(3).

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THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code Section 454 for Fruitridge Vista Water Company to file a supplemental advice letter incorporating the revised rate schedules attached to this resolution as Appendix A, and concurrently cancel its presently effective rate Schedules Nos. 1, General Metered Service, and 2, Flat Rate Service. Its filing shall comply with General Order 96-A. The effective date of the revised rate schedules shall be five days after the date of filing.
2. This resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at a conference of the Public Utilities Commission of the State of California held on October 27, 2005; the following Commissioners voting favorably thereon:

STEVE LARSON
Executive Director

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APPENDIX A

Schedule No. 1

METERED SERVICE

APPLICABILITY

Applicable to all metered water service.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County, including all territory contiguous to the southerly limits of the City of Sacramento.

RATES

Quantity Rate:

All Water, per 100 cubic feet \$0.467

Service Charge:

	Per Meter <u>Per Month</u>
For 5/8 x 3/4-inch meter.....	\$ 6.51
For 3/4-inch meter.....	9.76
For 1-inch meter.....	16.27
For 1-1/2-inch meter.....	32.54
For 2-inch meter.....	52.06
For 3-inch meter.....	97.57
For 4-inch meter.....	162.65
For 6-inch meter.....	325.29

The Service Charge is a readiness-to-serve-charge which is applicable to all metered service and to which is added the charge for water used computed at the Quantity Rates.

SPECIAL CONDITIONS

1. A late charge will be imposed per Schedule LC.
2. In accordance with Section 2714 of the Public Utilities Code, if a tenant in a rental unit leaves owing the company, service to subsequent tenants in the unit will, at the company's option, be furnished on the account of the landlord or property owner.
3. All bills are subject to the reimbursement fee set forth in Schedule No. UF.
4. As authorized by the Public Utilities Commission, all bills are subject one-time surcharge of \$2.28. This charge offsets the Department of Health Services fee as billed to Fruitridge Vista Water Company for

(D)
(N)
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October 1, 2004 through March 21, 2005.

(N)

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APPENDIX A

Schedule No. 2

FLAT RATE SERVICE

APPLICABILITY

Applicable to all flat rate water service.

TERRITORY

In the unincorporated areas known as Fruitridge Vista Units, Sandra Heights, Pacific Terrace Units, Bowling Green Units, and all immediately adjoining territory in Sacramento County including all territory contiguous to the southerly limits of the City of Sacramento.

RATES

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|---|---------|
| 1. For a single residential unit, including premises not exceeding 10,000 sq. ft. in area | \$15.69 |
| a) For each additional single family unit on the same premises and served from the same service connection | \$10.01 |
| b) For each 100 sq. ft. of premises in excess of 10,000 sq. ft. | \$ 0.14 |
| 2. For each automobile service station, including car wash rack, where service connection is not larger than one-inch in diameter | \$32.80 |

SPECIAL CONDITIONS

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|--|-----------------------------|
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| 3. All bills are subject to the reimbursement fee set forth in Schedule No. UF. | |
| 4. As authorized by the Public Utilities Commission, all bills are subject to a one-time surcharge of \$2.28. This charge offsets the Department of Health Services fee as billed to Fruitridge Vista Water Company for October 1, 2004 through March 21, 2005. | (D)
(N)

(N) |